Loans for international students to join program for distance learners

A source of financing for international students will be rolled out this fall by Global Student Loan Corp., when it announces a deal with two Chinese banks.

The program is similar to one Global offers distance learners.

The Bank of Shanghai and another one of the largest banks in China have agreed to provide loans to Chinese students to study at U.S. institutions, a dramatic occasion that figures to open the door to another level of international students for American institutions.

Until now, only students who could demonstrate they had the financial resources to sustain a four-year education could study in the U.S.

"Technically, means we're getting only rich kids from other countries," says Keith Jepsen, Global's founder and president. "We'll get a whole new group of students who universities would love to admit who will bring with them financing."

The agreement with the Chinese banks eliminates the hindrance international students faced with trying to find U.S. co-signers for student loans. Jepsen called the search for U.S. co-signers to be a "showstopper."

Twenty-two institutions will participate in what amounts to a pilot program for international students. Global expects to develop similar lending arrangements with banks in other foreign countries, enlarging the prospective student pool.

"We want to start small and do it right," Jepsen says. "Our challenge is to try not to do too much too soon because the pent-up demand is horrendous. We want to make sure it's done in a quality fashion with the right players to make sure it has a successful launch."

Nova Southeastern University participated in the pilot loan program for distance learners. Through the second term of 2001-2002, it had 242 applicants through Global.

The distance learning loan program has worked smoothly.

"When we don't have feedback, we don't have problems," says Sheila Gonsalves, assistant director of loans and awarding.

"No news is good news," says Stacy Pena-Villalobos, coordinator of loan operations. "At NSU, that is very, very true."

NSU expects its enrollment to grow from 19,000 to 25,000 in the next five years. The university was an early provider of distance education. The growth of its distance learning programs can be attributed to the university's philosophy to offer dual programs and be flexible, says Peggy Loewy-Wellsch, executive director of student financial services and registration.

Students have the flexibility to mix a variety of disciplines.

The Global Distance Education Loan Program itself isn't expected to provide a noticeable boost to enrollment, but it does open a door for students at NSU.

"We decided to work with the Global Student Loan Program due to the international non-U.S. cosign program. We knew it was eventually going in that direction," Loewy-Wellsch says.

"We opened up another lending access for students. It's their choice. It's another option."